

**PROPOSED PAY PROJECT**  
**THE DEPARTMENT OF ADMINISTRATION**

The Department of Administration is proposing to modify the state's Human Resource Systems so that consistent measures of individual contributions, qualifications and competency are used to support a range of personnel decisions. HR systems must be responsive to the rapidly changing, competitive environment within which state agencies currently operate.

The project will shift some emphasis from position duties and length of service to individual competency. Competencies include observable and measurable skills, knowledges, abilities, and behavioral attributes that are necessary for success of the employee and the agency.

Agencies need flexibility to appropriately compensate key contributors who through a combination of expertise, competence and the key importance of their jobs, are instrumental to the agency's success. One aspect of the project is a proposal to modifying the state classification and pay plan through "broad banding." Broad banding involves consolidating the 25 pay grades into a smaller number of pay bands, perhaps 8 or 10. Placement in a band will be determined by the position classification system. This will decrease the reliance on position classification and allow movement through a band based on other criteria such as competency.

Developing and implementing competency measures will take considerable work and time and will likely extend through the upcoming biennium. Salary increases for at least the first year of the new biennium will have to be structured in a manner similar to that used during the current biennium.

The project proposal also includes the delegation of classification authority to individual department directors. This delegation will allow the Department of Administration to free limited staff resources for development of competency guidelines and measures and to modify the current classification and pay systems. The department will continue to provide training and assistance to agencies and will participate in periodic audits of agency classification decisions.

The Department has developed ten proposed project goals based on a survey of agency managers.

- Reduce emphasis on position classification in setting pay.
- Give greater pay flexibility based on employee characteristics.
- Decrease effort and paper work to change job duties and pay.
- Reduce DoA's role in individual pay decisions.
- Keep pay structure market competitive.
- Progress employees in a predictable manner.
- Customize competency and performance criteria to specific occupations.
- Provide structure and training for managers.
- Automate information, decision and approval steps.
- Work cooperatively with unions to accomplish goals.